

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Follow-up Study on Previously Issued Performance Audits and Staff Studies

October 2001



Performance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF PERFORMANCE AUDIT

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Follow-up Study on Previously Issued Performance Audits and Staff Studies

October 2001



**Staff Study
Office of the Legislative Auditor
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor**

Table of Contents

Legislative Auditor's Transmittal Letter.....	v
Executive Summary	vii

Introduction

Study Initiation and Objectives	1
Requirements of and Authority for Performance Audit Program.....	1
Types of Performance Audit Reports.....	2
Follow-up Studies	2

Status of Recommendations and Matters for Legislative Consideration

What is the implementation status of the recommendations made in the 42 reports covered by this study and the estimated impact from implementation? Also, what is the status of the issues addressed by the matters for legislative consideration included in the 42 reports?	3
Most Recommendations at Least Partially Implemented.....	3
Positive Impact From Implementation of Recommendations.....	17
Some Matters for Legislative Consideration Received Action.....	17
Problems Identified in State Government Operations	18

Exhibits

Exhibit 1: Overall Implementation Status of Recommendations	4
Exhibit 2: Legislative Activity After Reporting Matters for Legislative Consideration	18
Exhibit 3: Problems Associated With Recommendations Not Implemented	19
Exhibit 4: Problems Identified in Performance Audits and Staff Studies	20

Appendix

Appendix A: Objectives, Scope, and Methodology.....	A.1
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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

October 10, 2001

The Honorable John J. Hainkel, Jr.,
President of the Senate
The Honorable Charles W. DeWitt, Jr.,
Speaker of the House of Representatives

Dear Senator Hainkel and Representative DeWitt:

This report gives the results of our follow-up study on previously issued performance audits and staff studies. The study was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains the implementation status of the recommendations and matters for legislative consideration made in 42 performance audits and staff studies issued from August 1995 through June 2000. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

A handwritten signature in black ink, reading "Daniel G. Kyle". The signature is fluid and cursive, with a large initial "D" and "K".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGK/dl

[FUSTUDY01]



Office of Legislative Auditor

Follow-up Study on Previously Issued Performance Audits and Staff Studies Executive Summary

The purpose of this study is to inform the legislature and other interested parties of the implementation status of recommendations and matters for legislative consideration made in 42 performance audits and staff studies issued from August 1995 through June 2000. The results of our study are as follows:

Implementation Status of Recommendations and Impact *(See pages 3 through 17 of the report.)*

- At least 68% of the 542 recommendations made in the 42 reports have been either fully or partially implemented. The work conducted in these audits and staff studies has had a positive impact on government operations, mainly in terms of efficiency, effectiveness, and performance data. In addition, two entities we surveyed reported dollar savings totaling \$27,088,741 as a result of implementing our recommendations.
- We were unable to determine the implementation status of 22% of the recommendations because some entities did not provide sufficient documentation for us to make a determination or did not respond to surveys we sent them. Also, we did not survey all entities addressed by the recommendations because of time constraints.

Legislative Activity *(See pages 17 through 18 of the report.)*

- We identified 46 relevant legislative instruments that were adopted by the legislature in connection with the matters for legislative consideration contained in the reports covered by this study. These legislative instruments enacted 42 laws, amended 30 laws, and repealed 34 laws.

Problems Identified in State Government Operations *(See pages 18 through 22 of the report.)*

- We identified 23 types of problems noted in the 42 reports covered by this study. These problems impact the overall effectiveness and efficiency of state government operations. Fifty percent of the problems identified are categorized into the following seven areas:
 - (1) inadequate performance data;
 - (2) poor coordination of efforts and services;
 - (3) insufficient data and documentation;
 - (4) lack of oversight and monitoring;
 - (5) inadequate evaluation of programs and services;
 - (6) inadequate laws, rules, regulations, and policies; and
 - (7) noncompliance with laws, rules, regulations, and policies.

Introduction

Study Initiation and Objectives

We conducted this staff study as approved by the Legislative Audit Advisory Council in August 1999. Because of other priorities, our work on this study did not begin until December 2000. The purpose of the study is to inform the legislature and other interested parties of the implementation status of recommendations and matters for legislative consideration made in the 42 performance audits and staff studies we issued from August 1995 through June 2000. Specifically, our objectives for this study were to:

- Determine the implementation status of the recommendations and estimate the impact of implementation
- Determine the status of the issues addressed by the matters for legislative consideration

Requirements of and Authority for Performance Audit Program

Louisiana Revised Statute (R.S.) 24:522 requires a schedule of performance audits to ensure that one such audit is completed on each executive branch department in the seven-year period beginning with the 1998 fiscal year. This law also created a statewide performance audit program to evaluate and audit the functions and activities of the agencies of state government. To accomplish this, the law provides that the legislative auditor may, in part:

- Evaluate the basic assumptions underlying state agencies and the programs and services provided by the state
- Identify overlapping functions, outmoded programs, areas needing improvement and/or programs amenable to privatization
- Evaluate the impact, efficiency, effectiveness and cost-effectiveness of state agencies
- Evaluate the methods used by state agencies in the estimation, calculation, and reporting of their performance, and evaluate the actual outcomes of each agency's performance with regard to its performance indicators

In accordance with this law, the Performance Audit Division of the Office of Legislative Auditor conducts various types of audits and staff studies.

Types of Performance Audit Reports

The Performance Audit Division conducts economy and efficiency audits, program audits, and staff studies in accordance with R.S. 24:522. Economy and efficiency audits determine if entities are acquiring, protecting, and using resources economically and efficiently; the causes of inefficiencies or uneconomical practices; and if entities are complying with applicable laws and regulations on matters of economy and efficiency. Program audits determine the extent to which the desired results or benefits established by authorizing bodies are being achieved; the effectiveness of organizations, programs, activities or functions; and whether entities are complying with applicable laws and regulations. Staff studies differ from performance audits in that they are generally studies of limited scope and/or are follow-up studies on previously issued performance audits or staff studies.

Follow-up Studies

The Performance Audit Division periodically conducts follow-up studies to determine the implementation status of the recommendations and matters for legislative consideration made in previously issued performance audits and staff studies. This follow-up report is the second such report issued by the Performance Audit Division.

The first follow-up report was issued in July 1996 and covered 21 reports issued from July 1992 through July 1995. Those 21 reports contained a total of 126 recommendations and 56 matters for legislative consideration. The first follow-up report noted that 40% of the recommendations were fully implemented, 29% were partially implemented, and 31% were not implemented. The first follow-up report also noted 45 legislative instruments were adopted by the legislature that addressed certain matters for legislative consideration.

For the results of this second follow-up study, see the following section of this report, which is titled *Status of Recommendations and Matters for Legislative Consideration*.

Status of Recommendations and Matters for Legislative Consideration

What is the implementation status of the recommendations made in the 42 reports covered by this study and the estimated impact from implementation?

Also, what is the status of the issues addressed by the matters for legislative consideration included in the 42 reports?

Conclusions: At least 68% of the recommendations made in reports issued from August 1995 through June 2000 have been either fully or partially implemented. Only about 10% of the recommendations have not been implemented. We were unable to determine the implementation status of 22% of the recommendations.

The implementation of these recommendations has had a positive impact on the entities we surveyed. The survey respondents noted improvements in the areas of efficiency, accountability, effectiveness, oversight and monitoring, performance data, planning, perception of the entity, management controls, data and documentation, compliance with policies, and coordination. Two respondents reported dollar savings totaling \$27,088,741 as a result of implementing certain recommendations.

We identified 46 relevant legislative instruments that were adopted by the legislature in connection with the matters for legislative consideration. These legislative instruments enacted 42 laws, amended 30 laws, and repealed 34 laws.

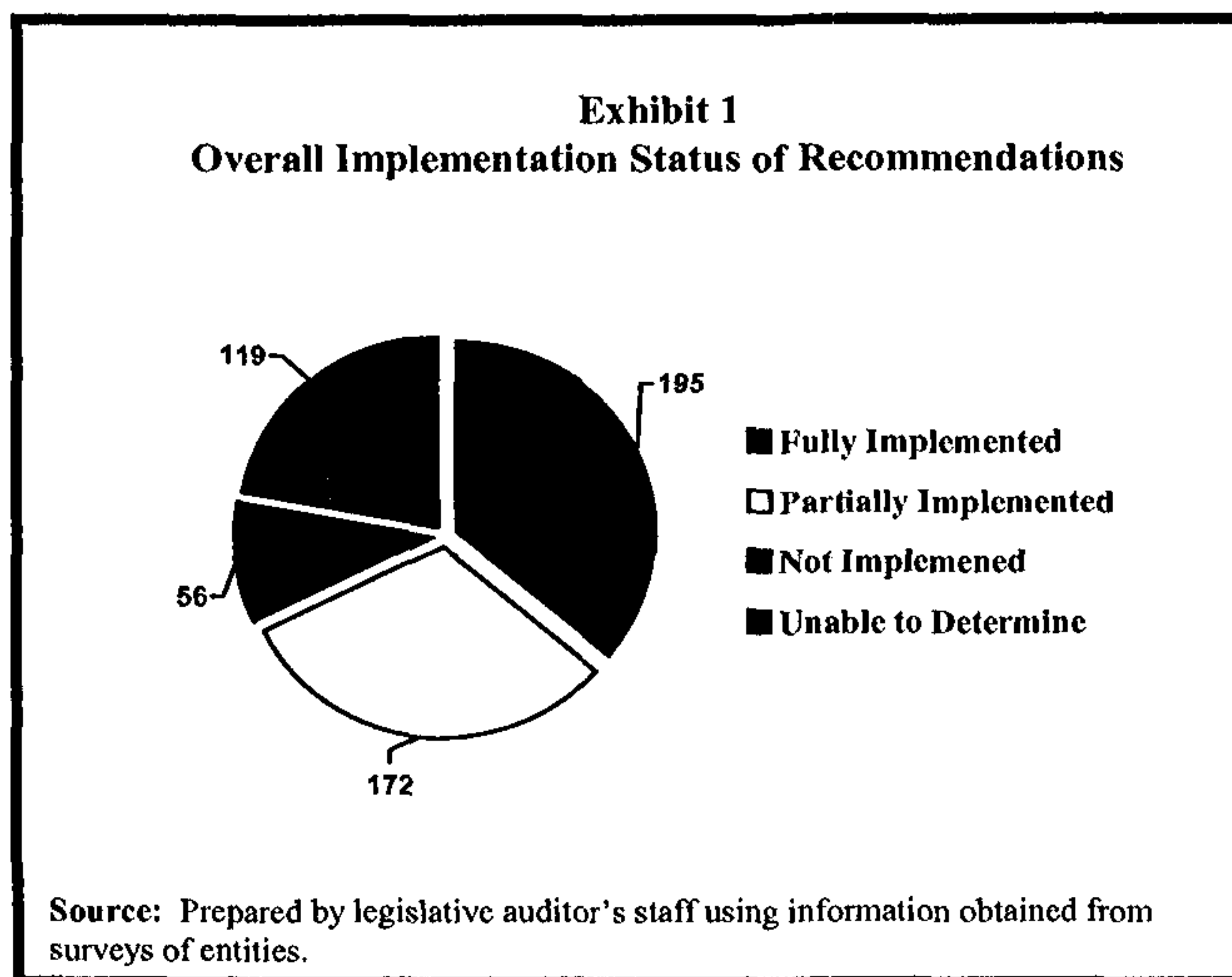
We identified 23 types of problems noted in the 42 reports covered by this study. These problems impact the overall effectiveness and efficiency of state government operations. Although many of these problems have been addressed, others have not because some entities have not implemented certain recommendations. This information can be used by policy makers and program officials to help improve effectiveness, efficiency, and accountability in state government.

Most Recommendations at Least Partially Implemented

We identified 542 recommendations in 42 performance audits and staff studies issued from August 1995 through June 2000. These recommendations were addressed to various state and local entities, including some boards and commissions. Our study shows that at least 36% (195) of the recommendations were fully implemented, at least 32% (172) were partially implemented, and at least 10% (56) were not implemented.

We were unable to determine the implementation status of 22% (119) of the recommendations because some of the entities did not provide sufficient evidence to support their survey responses or did not respond to the survey. Also, we did not survey all entities addressed by the recommendations because of time

constraints. Exhibit 1 presents the overall implementation status of the 542 recommendations.



A detailed summary of the survey responses and our evaluation of the implementation status of the recommendations titled *Implementation Status of Recommendations and Matters for Legislative Consideration* is available at www.lla.state.la.us:80/perform.htm.

Following is a brief description of each of the 42 reports covered by this study, along with an explanation of the implementation status of the recommendations contained in the reports.

Management of Hazardous Waste in Louisiana **November 1995**

The purpose of this audit was to review the management of hazardous waste in Louisiana. The report reviewed the Inactive and Abandoned Hazardous Waste Sites Program and Louisiana's administration of the Federal Resource Conservation and Recovery Act Program. The report contains 11 recommendations addressed to the Department of Environmental Quality. The department fully implemented at least 3 (27%) of the recommendations and partially implemented at least 4 (37%). We were unable to determine the

implementation status of 4 (36%) of the recommendations because the department did not provide sufficient documentation to support the survey response.

Office of Rural Development December 1995

This staff study was conducted as a result of the recommendations of the Select Council on Revenue and Expenditures in Louisiana's Future (SECURE) to eliminate funding for this program. The report contains one recommendation addressed to the Office of Rural Development. The office partially implemented the recommendation.

Office of Urban Affairs and Development December 1995

This staff study was also conducted as a result of the recommendations of SECURE to eliminate funding for this program. The report contains one recommendation addressed to the Office of Urban Affairs and Development. The office fully implemented the recommendation.

Louisiana Foster Care Court Process December 1995

The purpose of this audit was to analyze the state's system of processing foster care cases through various court hearings and reviews required by law. The report contains nine recommendations addressed to the juvenile, district, and city courts.

We surveyed the Louisiana Supreme Court rather than the individual courts because the Supreme Court responded to the original audit report on behalf of the juvenile, district, and city courts. However, the Supreme Court did not provide the implementation status of the recommendations because, according to the Court, "a response may be construed as an obligation owed to the Legislative Auditor or as a recognition of the authority of the Legislative Auditor to compel responses from the judiciary on matters relating to performance auditing." Thus, we were unable to determine the implementation status of the recommendations. The Court did, however, provide explanations and supporting documentation regarding changes that have taken place as a result of the performance audit.

Medicaid: A Staff Study of Selected Programs

April 1996

This staff study focused on physician services and pharmacy programs and the post-payment review process. The report contains 7 recommendations addressed to the Department of Health and Hospitals. The department fully implemented 5 (71%) of the recommendations and did not implement 2 (29%).

Louisiana Employee Compensation and Benefits

May 1996

The purpose of this staff study was to examine alternatives for restructuring benefits and present costs and savings associated with these *proposed changes*. The study was conducted in Phase Two of the SECURE project. The report contains 14 recommendations addressed to the Department of State Civil Service, the State Employees Group Benefits Program (now called the Office of Group Benefits), and the local school boards in Louisiana. The department and the office fully implemented at least 2 (14%) of the recommendations, *partially implemented at least 5 (36%)*, and did not implement at least 5 (36%). We were unable to determine the implementation status of 2 (14%) of the recommendations because we did not survey the school boards.

Efforts in Louisiana to Reduce Losses From Road Hazards

October 1996

The purpose of this audit was to review Louisiana's efforts to reduce losses to the state as a result of road and bridge hazard claims against the state. The report contains 10 recommendations addressed to the Office of Risk Management; the Department of Transportation and Development; the Department of Public Safety and Corrections, Public Safety Services; the Department of Justice; and the Louisiana Highway Safety Commission. These entities fully implemented at least 1 (10%) of the recommendations and partially implemented at least 1 (10%). We were unable to determine the implementation status of 8 (80%) of the recommendations because one entity did not provide sufficient documentation to support the survey response, and the Department of Transportation and Development did not respond to the survey.

**Louisiana Education Quality Trust Fund
October 1996**

The purpose of this staff study was to evaluate the investment performance of the state treasurer in managing the Louisiana Education Quality Trust Fund. The report contains 3 recommendations addressed to the Department of the Treasury. The department fully implemented at least 2 (67%) of the recommendations. We were unable to determine the implementation status of 1 (33%) of the recommendations.

**Housing and Rehabilitation of Juvenile Offenders
February 1997**

The purpose of this audit was to determine if the placements of juvenile offenders are timely, ensure safety, and provide the most appropriate setting. The report also identified successful prevention, intervention, and aftercare programs that have been implemented by other states. The report contains 5 recommendations addressed to the Department of Public Safety and Corrections, Corrections Services. The department partially implemented all (100%) of the recommendations.

**Laundry Operations at State Medical Facilities
March 1997**

This staff study was conducted as a result of a request by the Joint Legislative Committee on the Budget to study laundry operations at state medical facilities. The report contains 6 recommendations addressed to the Department of Health and Hospitals, the Louisiana Health Care Authority (LHCA), and the Office of State Police. We surveyed the LSU Health Sciences Center rather than LHCA because the center currently performs the duties of LHCA. We did not survey the Office of State Police because of time constraints. The Health Sciences Center and the department fully implemented 1 (17%) of the recommendations, partially implemented 3 (50%), and did not implement 2 (33%).

**Louisiana Prison Enterprises
April 1997**

This audit was conducted as part of the National State Auditors Association (NSAA) joint audit on corrections industries. The NSAA joint audit coordinating team developed the audit objectives. Fourteen states, including Louisiana, participated in the audit. The report contains 9 recommendations addressed to Louisiana Prison Enterprises. Prison Enterprises fully implemented 5 (56%) of the recommendations and partially implemented 4 (44%).

Analysis of Program Authority and Performance Data May 1997 - December 1998

The purpose of the following audits was to review the executive budget program information in response to certain requirements of Act 1100 of 1995. The audits assessed the performance data reported for each program within each state department. In addition, they identified programs, functions, and activities that may be potentially overlapping, duplicative, or outmoded.

Department of Public Service May 1997

This report contains 6 recommendations addressed to the Louisiana Public Service Commission. The commission fully implemented 3 (50%) of the recommendations and partially implemented 3 (50%).

Department of Labor June 1997

This report contains 20 recommendations addressed to the Department of Labor. The department fully implemented 10 (50%) of the recommendations, partially implemented 9 (45%), and did not implement 1 (5%).

Department of Agriculture and Forestry July 1997

This report contains one recommendation addressed to the Department of Agriculture and Forestry. We were unable to determine the implementation status of the recommendation because the department did not provide sufficient documentation to support the survey response.

Department of State September 1997

This report contains 9 recommendations addressed to the Department of State. The department fully implemented 4 (44%) of the recommendations and partially implemented 5 (56%).

**Department of Environmental Quality
October 1997**

This report contains 11 recommendations addressed to the Department of Environmental Quality. The department fully implemented 8 (73%) of the recommendations, partially implemented 2 (18%), and did not implement 1 (9%).

**Department of Social Services
October 1997**

This report contains 10 recommendations addressed to the Department of Social Services. The department fully implemented at least 1 (10%) of the recommendations, partially implemented at least 7 (70%), and did not implement at least 1 (10%). We were unable to determine the implementation status of 1 (10%) recommendation because the department did not provide sufficient documentation to support the survey response.

**Department of Natural Resources
October 1997**

This report contains 4 recommendations addressed to the Department of Natural Resources. The department fully implemented 3 (75%) of the recommendations and did not implement 1 (25%).

**Department of Elections and Registration
October 1997**

This report contains 7 recommendations addressed to the Department of Elections and Registration. The department fully implemented 3 (43%) of the recommendations, partially implemented 3 (43%), and did not implement 1 (14%).

**Department of Wildlife and Fisheries
October 1997**

This report contains 4 recommendations addressed to the Department of Wildlife and Fisheries. The department fully implemented 1 (25%) of the recommendations and partially implemented 3 (75%).

**Department of Transportation and Development
November 1997**

This report contains 18 recommendations addressed to the Department of Transportation and Development. We were unable to determine the implementation status of the recommendations because the department did not respond to the survey.

**Department of Economic Development
November 1997**

This report contains 5 recommendations addressed to the Department of Economic Development. The department fully implemented 3 (60%) of the recommendations, partially implemented 1 (20%), and did not implement 1 (20%).

**State Education System
November 1997**

This report contains 38 recommendations addressed to the Department of Education; the Board of Elementary and Secondary Education; the Council for the Development of French in Louisiana; the Louisiana Systemic Initiatives Program; the Office of Student Financial Assistance; the Louisiana Educational Television Authority; the Louisiana School for Math, Science and the Arts; the Louisiana School for the Visually Impaired; the Louisiana School for the Deaf; and the Louisiana Special Education Center. These entities fully implemented at least 14 (37%) of the recommendations, partially implemented at least 16 (42%), and did not implement at least 3 (8%). We were unable to determine the implementation status of 5 (13%) of the recommendations because some of the entities did not provide sufficient documentation to support their survey responses. Also, the Louisiana School for the Deaf did not respond to the survey; however, the Department of Education responded to two recommendations on behalf of the school.

**Department of Health and Hospitals
November 1997**

This report contains 7 recommendations addressed to the Department of Health and Hospitals. The department fully implemented 6 (86%) of the recommendations and partially implemented 1 (14%).

**Department of Public Safety and Corrections,
Corrections Services
November 1997**

This report contains 15 recommendations addressed to the Department of Public Safety and Corrections, Corrections Services. The department fully implemented at least 3 (20%) of the recommendations, partially implemented at least 8 (53%), and did not implement at least 3 (20%). We were unable to determine the implementation status of 1 (7%) of the recommendations because the department did not provide sufficient documentation to support the survey response.

**Department of Insurance
February 1998**

This report contains 21 recommendations addressed to the Department of Insurance. The department fully implemented at least 12 (57%) of the recommendations, partially implemented at least 6 (29%), and did not implement at least 1 (5%). We were unable to determine the implementation status of 2 (9%) of the recommendations because the department did not provide sufficient documentation to support the survey response.

**Department of State Civil Service
February 1998**

This report contains 13 recommendations addressed to the Department of State Civil Service, the Division of Administrative Law, the Ethics Administration, the Municipal Fire and Police Civil Service, and the State Police Commission. These entities fully implemented 9 (69%) of the recommendations and partially implemented 4 (31%).

**Department of the Treasury
April 1998**

This report contains 10 recommendations addressed to the Department of the Treasury, the Teachers' Retirement System of Louisiana, the Louisiana State Police Pension and Retirement System, the Interim Emergency Board, the Louisiana School Employees' Retirement System, the Louisiana State Employees' Retirement System, and the State Employees Group Benefits Program (now called the Office of Group Benefits). These entities fully implemented at least 3 (30%) of the recommendations, partially implemented at least 5 (50%), and did not implement at least 1 (10%). We were unable to determine the

implementation status of 1 (10%) recommendation because the Office of Group Benefits did not respond to the survey.

**Office of the Lieutenant Governor and the
Department of Culture, Recreation and Tourism
April 1998**

This report contains 8 recommendations addressed to the Office of the Lieutenant Governor and the Department of Culture, Recreation and Tourism. The office and the department fully implemented 3 (37%) of the recommendations, partially implemented 4 (50%), and did not implement 1 (13%).

**Office of the Governor (Executive Department)
September 1998**

This report contains 29 recommendations addressed to the Office of the Governor, the Office of Women's Services, the Department of Veteran's Affairs, the Board of Tax Appeals, the Louisiana Commission on Law Enforcement, the Office of Indian Affairs, the Mental Health Advocacy Service, the Division of Administration, the Patients' Compensation Fund Oversight Board, the Military Department, the Office of Lifelong Learning, and the Office of Elderly Affairs. These entities fully implemented at least 9 (31%) of the recommendations, partially implemented at least 9 (31%), and did not implement at least 1 (3%). We were unable to determine the implementation status of 10 (35%) of the recommendations because some of the entities did not provide sufficient documentation to support their survey responses and we did not survey the Division of Administration because of time constraints. Also, the Office of the Governor did not respond to the survey.

**Department of Justice
September 1998**

This report contains 7 recommendations addressed to the Department of Justice. The department fully implemented 6 (86%) of the recommendations and partially implemented 1 (14%).

**Department of Public Safety and Corrections,
Public Safety Services
November 1998**

This report contains 13 recommendations addressed to the Department of Public Safety, Public Safety Services. The department fully implemented 6 (46%) of the recommendations, partially implemented 4 (31%), and did not implement 3 (23%).

**Department of Revenue
December 1998**

This report contains 15 recommendations addressed to the Department of Revenue and the Louisiana Tax Commission. The department and the commission fully implemented at least 6 (40%) of the recommendations, partially implemented at least 7 (46%), and did not implement at least 1 (7%). We were unable to determine the implementation status of 1 (7%) of the recommendations because the entities did not provide sufficient documentation to support their survey responses.

**Management and Oversight of Long-term Care in Louisiana
April 1998**

This audit was conducted as part of the National State Auditors Association (NSAA) joint audit on long-term care focusing on nursing homes. The NSAA joint audit coordinating team developed a set of suggested audit objectives. Ten states, including Louisiana, participated in the audit. The report contains 17 recommendations addressed to the Department of Health and Hospitals. The department fully implemented at least 3 (18%) of the recommendations, partially implemented at least 8 (47%), and did not implement at least 4 (23%). We were unable to determine the implementation status of 2 (12%) of the recommendations because the department did not provide sufficient documentation to support the survey response.

**Study of Education Issues in Nine Louisiana School Districts
January 1999**

This study was conducted as a result of the meetings between the Senate Committees on Education and Finance. At these meetings, members expressed concern about a wide range of education issues. The study examined various issues at the state level as well as at nine local school districts.

The report contains 26 recommendations addressed to the Department of Education, the Board of Elementary and Secondary Education (BESE), the St. Landry Parish School Board, the Calcasieu Parish School Board, the Ouachita Parish School Board, the St. John the Baptist School Board, the Jackson Parish School Board, the East Baton Rouge School Board, the New Orleans Public School System, the Monroe City School System, and the Pointe Coupee Parish School Board. We did not survey BESE because of time constraints. These entities partially implemented at least 13 (50%) of the recommendations and did not implement at least 5 (19%). We were unable to determine the implementation status of 8 (31%) of the recommendations because some of the entities did not provide sufficient documentation to support their survey responses. Also, the New Orleans Public School System, the Monroe City School System, and the Pointe Coupee Parish School Board did not respond to the survey.

Adult and Juvenile Correctional Facilities in Louisiana March 2000

This audit was conducted in response to House Concurrent Resolution Number 43 of the 1999 Regular Legislative Session. The resolution requested our office to determine the overall effectiveness and efficiency of state-operated and privately operated correctional facilities in Louisiana. The resolution also requested our office to review operating costs, types and quality of services, recidivism rates, and security concerns. The report contains 15 recommendations addressed to the Department of Public Safety and Corrections, Corrections Services and the Louisiana Sheriffs Association. The department fully implemented at least 2 (13%) of the recommendations and did not implement at least 1 (7%). We were unable to determine the implementation status of 12 (80%) of the recommendations because the department did not provide sufficient documentation to support the survey response, and the association did not respond to the survey.

Department of State Civil Service - Hiring and Performance Planning and Review System March 2000

This audit focused on the services provided to state agencies attempting to hire new permanent employees and the effectiveness of State Civil Service's oversight of the new state employee appraisal system. The report contains 16 recommendations addressed to the Department of State Civil Service and all other state entities. The department fully implemented at least 2 (12%) of the recommendations, partially implemented at least 7 (44%), and did not implement at least 2 (12%). We were unable to determine the implementation status of 5 (32%) of the recommendations because the department did not provide

sufficient documentation to support the survey response, and we did not survey the other state entities because of time constraints.

Louisiana Public Facilities Authority March 2000

The purpose of this audit was to review the 44 Louisiana Public Facilities Authority (LPFA) bond issues that closed between 1996 and 1998 and ascertain the cost of issuance for these bonds to determine if LPFA student loans are beneficial. The report contains one recommendation addressed to the LPFA. The LPFA fully implemented the recommendation.

Louisiana Department of Labor - Job Training Program March 2000

The purpose of this audit was to determine if Job Training Partnership Act (JTPA) performance data were being reported accurately from the local service delivery areas (SDAs) to the Department of Labor and from the department to the federal government. The audit also assessed monitoring at the SDA and department levels to determine whether monitoring procedures ensured that training service providers met contract deliverables. The report contains 15 recommendations addressed to the Department of Labor, the Louisiana Workforce Commission, and the SDAs (now called Workforce Investment Boards or WIBs).

Rather than surveying all local SDAs/WIBs, we surveyed only those that we reviewed during the audit. These were the Coordinating and Development Corporation, the Louisiana Workforce Investment Area 21, and the Orleans Private Industry Council (OPIC). OPIC no longer exists, and its federal and state resources were transferred to the City of New Orleans. Therefore, we sent a survey to the City of New Orleans. These entities fully implemented at least 4 (27%) of the recommendations and partially implemented at least 2 (13%). We were unable to determine the implementation status of 9 (60%) of the recommendations because some of the entities did not provide sufficient documentation to support their survey responses, and the City of New Orleans did not respond to the survey.

Department of Insurance - Licensing Functions March 2000

The purpose of this audit was to examine Louisiana's licensing and complaint processes, including how the department prevents unqualified and untrustworthy individuals from receiving and/or retaining insurance licenses. The report contains 35 recommendations addressed to the Department of Insurance. The department fully implemented at least 16 (46%) of the recommendations,

partially implemented at least 11 (31%), and did not implement at least 5 (14%). We were unable to determine the implementation status of 3 (9%) of the recommendations because the department did not provide sufficient documentation to support the survey response.

Analysis of Overlap, Duplication and Fragmentation Across Executive Branch Departments April 2000

The purpose of this audit was to identify overlap, fragmentation, and duplication among programs, functions, and activities across departments within the executive branch of state government. The audit also assessed the associated costs if overlap, fragmentation, or duplication existed. The report contains 10 recommendations addressed to the Office of Mental Health; the Department of Social Services; the Office for Citizens with Developmental Disabilities; the Office of Disability Affairs; the Office for Safe and Drug Free Schools and Commission; the Office of Addictive Disorders; the Louisiana Commission on Law Enforcement; the Drug Policy Board; the Office of Family Support; the Office of Women's Services; the Department of the Treasury; the Department of Public Safety and Corrections, Public Safety Services; the Department of Justice; the Department of Environmental Quality; and the Department of Economic Development. These entities fully implemented at least 3 (30%) of the recommendations, partially implemented at least 2 (20%), and did not implement at least 3 (30%). We were unable to determine the implementation status of 2 (20%) of the recommendations because some of the entities did not provide sufficient documentation to support their survey responses, and the Louisiana Commission on Law Enforcement did not respond to the survey.

Louisiana Rehabilitation Services - Vocational Rehabilitation Program April 2000

This audit resulted from a request by the Chairman of the House Committee on Appropriations. The Chairman requested a performance audit of the management and operations of the program. The audit focused on eligibility determination, services provided, and other management issues. The report contains 60 recommendations addressed to Louisiana Rehabilitation Services (LRS). LRS fully implemented at least 31 (52%) of the recommendations, partially implemented at least 8 (13%), and did not implement at least 7 (12%). We were unable to determine the implementation status of 14 (23%) of the recommendations because LRS did not provide sufficient documentation to support the survey response.

Positive Impact From Implementation of Recommendations

We asked the recipients of the surveys to describe the impact, monetary and otherwise, of the implementation of the various recommendations made in the 42 reports covered by this study. Most entities did not provide this information, and we did no further analysis in this area. However, based on the information we did receive, the recommendations have had a positive impact on the entities we surveyed, mainly in terms of improved efficiency, effectiveness, and performance data. Other areas of improvement noted by survey respondents are:

- Increased accountability
- Increased oversight/monitoring
- Better planning
- Improved perception of the entity
- Improved management controls
- Improved data
- Compliance with policies
- Improved coordination

In addition, two respondents noted dollar savings totaling \$27,088,741 as a result of implementing certain recommendations.

Some Matters for Legislative Consideration Received Action

The 42 performance audits and staff studies covered by this study contain 147 matters for legislative consideration. For the period prior to the 2001 Regular Legislative Session, we identified 41 relevant legislative instruments (40 acts and 1 resolution) that were adopted by the legislature after we reported these matters. The legislative instruments enacted 41 laws, amended 25 laws, and repealed 34 laws. We also identified seven bills that were proposed during the 2001 Regular Legislative Session that addressed certain matters for legislative consideration. Five of those bills were adopted, and two received no legislative action. The new acts amended five laws and enacted one. In addition, three state entities reported that they plan to propose legislation in the future to address certain matters for legislative consideration. Exhibit 2 on the following page presents the total number of state laws that were enacted, amended, and repealed after we reported the matters for legislative consideration in the 42 performance audits and staff studies.

Exhibit 2 Legislative Activity After Reporting Matters for Legislative Consideration		
Laws Enacted	Laws Amended	Laws Repealed
42	30	34
Source: Prepared by legislative auditor's staff using information obtained from survey responses and legal research.		

A summary of all relevant legislative instruments that were adopted, proposed, or planned titled *Implementation Status of Recommendations and Matters for Legislative Consideration* is available at www.la.state.la.us:80/perform.htm.

Problems Identified in State Government Operations

We identified 23 types of problems addressed by the recommendations and matters for legislative consideration in the 42 performance audits and staff studies covered by this study. Identifying these problems provides policy makers and program officials with information to help improve effectiveness, efficiency, and accountability in state government. The seven most commonly noted types of problems are:

- Inadequate performance data (i.e., missions, goals, objectives, and performance indicators) (9%)
- Poor coordination of efforts and services (9%)
- Insufficient data and documentation (8%)
- Lack of oversight and monitoring (6%)
- Inadequate evaluation of programs and services (6%)
- Inadequate laws, rules, regulations, and policies (6%)
- Noncompliance with laws, rules, regulations, and policies (6%)

Several of the problems we identified have not been addressed because some entities have not implemented certain recommendations. Most (60%) of the recommendations that were not implemented are associated with problems regarding internal management controls, coordination of efforts and services, policies and

procedures, performance data, and data and documentation. Exhibit 3 below is a graphic presentation of the problems associated with the recommendations that have not been implemented.

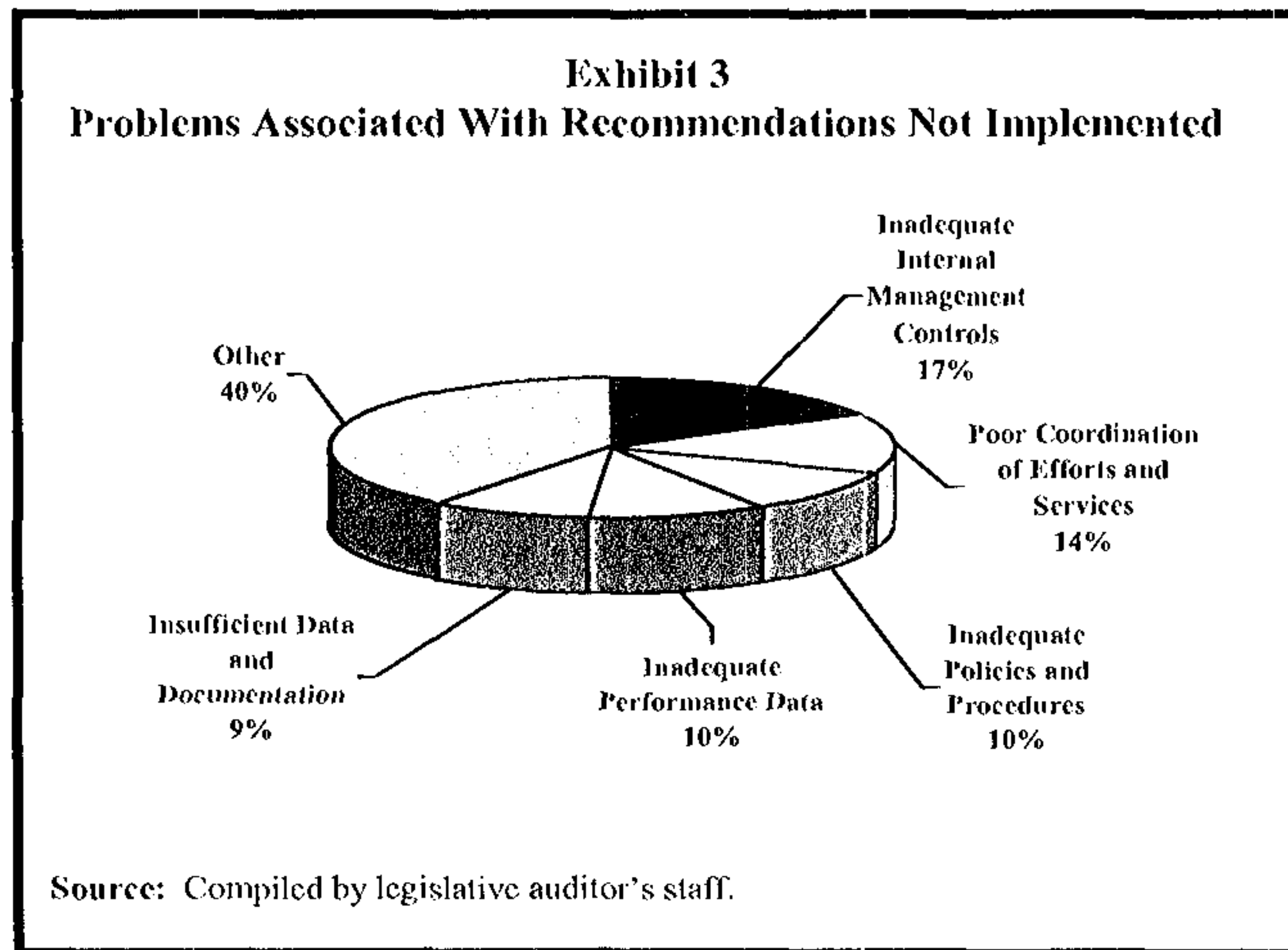


Exhibit 4 on pages 20 through 22 lists the types of problems that were addressed in the recommendations and matters for legislative consideration in the 42 performance audits and staff studies covered by this study.

Exhibit 4
Problems Identified in Performance Audits and Staff Studies
August 1995 Through June 2000
List of Problems Identified

Problems Identified	Reports (See pages 21-22 for report titles.)
Inadequate internal management controls	1, 2, 3, 4, 6, 7, 8, 9, 11, 29, 34, 35, 36, 37, 39, 40, 41, 42
Lack of oversight and monitoring	1, 2, 3, 4, 5, 6, 7, 8, 10, 13, 18, 29, 35, 36, 37, 39, 40, 41, 42
Inadequate planning	6, 7, 9, 11, 12, 14, 15, 16, 18, 19, 21, 23, 26, 31, 34, 39, 41
Inadequate performance data (missions, goals, objectives, performance indicators)	2, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 39, 40, 42
Insufficient data and documentation	1, 4, 6, 12, 13, 16, 17, 18, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42
Inadequate policies and procedures	1, 4, 5, 7, 8, 9, 11, 23, 29, 34, 35, 36, 37, 39, 40, 41, 42
Inadequate resources	1, 4, 6, 9, 18, 19, 22, 36, 40, 42
Inadequate training	7, 35, 37, 40
Inadequate use of technology	1, 5, 6, 7, 11, 29, 35, 37, 39, 40, 41, 42
Inadequate evaluation of programs and services	1, 4, 5, 6, 7, 9, 10, 11, 18, 21, 23, 27, 28, 33, 35, 36, 37, 38, 39, 40, 42
Inadequate employee compensation and benefits	6
Outmoded functions and unfunded activities	13, 14, 16, 17, 18, 21, 22, 23, 26, 28, 30, 31, 32, 33, 34
Duplicative and overlapping efforts and services	3, 13, 14, 15, 17, 21, 22, 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, 41
Poor coordination of efforts and services	4, 6, 7, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 39, 40, 41, 42
Services not effective	1, 4, 7, 9, 17, 20, 35, 37, 39, 40, 41, 42
Services not cost-effective/efficient	1, 5, 6, 7, 9, 10, 14, 18, 20, 33, 35, 36, 40, 41, 42
Inadequate agency commitment	7, 9, 29, 35, 40, 41
Unclear, cumbersome and restrictive laws	5, 6, 7, 11, 12, 14, 17, 19, 20, 22, 24, 28, 31, 34, 35, 41, 42
Inadequate laws, rules, regulations, and policies	1, 2, 3, 5, 6, 7, 9, 11, 14, 18, 20, 21, 23, 25, 26, 28, 29, 31, 32, 34, 35, 39, 40, 42
Noncompliance with laws, rules, regulations, and policies	1, 2, 4, 8, 13, 18, 21, 23, 25, 26, 28, 29, 31, 32, 34, 35, 39, 40, 42
Misaligned functions and resources	2, 3, 7, 14, 20, 28, 31
Costly laws and policies	35, 41
Need for alternative provision of services	9, 10, 35, 36, 42

Source: Prepared by legislative auditor's staff using information obtained from reports covered by this study.

Exhibit 4 (Continued)
Problems Identified in Performance Audits and Staff Studies
August 1995 Through June 2000
List of Report Titles

Number	Report Title
1	Management of Hazardous Waste in Louisiana
2	Office of Rural Development
3	Office of Urban Affairs and Development
4	<i>Louisiana Foster Care Court Process</i>
5	Medicaid: A Staff Study of Selected Programs
6	Louisiana Employee Compensation and Benefits
7	Efforts in Louisiana to Reduce Losses From Road Hazards
8	Louisiana Education Quality Trust Fund
9	Housing and Rehabilitation of Juvenile Offenders
10	Laundry Operations at State Medical Facilities
11	Louisiana Prison Enterprises
12	Department of Public Service: Analysis of Program Authority and Performance Data
13	Department of Labor: Analysis of Program Authority and Performance Data
14	Department of Agriculture and Forestry: Analysis of Program Authority and Performance Data
15	Department of State: Analysis of Program Authority and Performance Data
16	Department of Environmental Quality: Analysis of Program Authority and Performance Data
17	Department of Social Services: Analysis of Program Authority and Performance Data
18	Department of Natural Resources: Analysis of Program Authority and Performance Data
19	Department of Elections and Registration: Analysis of Program Authority and Performance Data
20	Department of Wildlife and Fisheries: Analysis of Program Authority and Performance Data
21	Department of Transportation and Development: Analysis of Program Authority and Performance Data
22	Department of Economic Development: Analysis of Program Authority and Performance Data
23	State Education System: Analysis of Program Authority and Performance Data
24	Department of Health and Hospitals: Analysis of Program Authority and Performance Data
25	Department of Public Safety and Corrections, Corrections Services: Analysis of Program Authority and Performance Data
26	Department of Insurance: Analysis of Program Authority and Performance Data
27	Department of State Civil Service: Analysis of Program Authority and Performance Data
28	Department of the Treasury: Analysis of Program Authority and Performance Data

Exhibit 4 (Concluded)
Problems Identified in Performance Audits and Staff Studies
August 1995 Through June 2000
List of Report Titles

Number	Report Title
29	Management and Oversight of Long-term Care in Louisiana
30	Office of the Lieutenant Governor and the Department of Culture, Recreation and Tourism: Analysis of Program Authority and Performance Data
31	Office of the Governor (Executive Department): Analysis of Program Authority and Performance Data
32	Department of Justice: Analysis of Program Authority and Performance Data
33	Department of Public Safety and Corrections, Public Safety Services: Analysis of Program Authority and Performance Data
34	Department of Revenue: Analysis of Program Authority and Performance Data
35	Study of Education Issues in Nine Louisiana School Districts
36	Adult and Juvenile Correctional Facilities in Louisiana
37	Department of State Civil Service - Hiring and Performance Planning and Review System
38	Louisiana Public Facilities Authority
39	Department of Labor - Job Training Program
40	Department of Insurance - Licensing Functions
41	Analysis of Overlap, Duplication, and Fragmentation Across Executive Branch Departments
42	Louisiana Rehabilitation Services - Vocational Rehabilitation Program

Source: Compiled by legislative auditor's staff.

Appendix A

Objectives, Scope, and Methodology

Objectives, Scope, and Methodology

Objectives

This report is designed to inform the legislature and other interested parties of the implementation status of recommendations and matters for legislative consideration made in 42 performance audits and staff studies issued over a five-year period. Specifically, our objectives were to:

- Determine the implementation status of the recommendations and estimate the impact of implementation
- Determine the status of the issues addressed by the matters for legislative consideration

Scope and Methodology

We identified all performance audits and staff studies issued by the Performance Audit Division of the Office of Legislative Auditor between August 1995 and June 2000. We reviewed each of those reports and selected the 42 reports that contained recommendations and/or matters for legislative consideration. Next, we reviewed the recommendations and matters for legislative consideration in those reports to determine the types of problems that are occurring in state government operations. This information can be found in Exhibit 4 on pages 20 through 22 of this report.

To achieve the first objective of determining the implementation status of the recommendations, we sent 131 surveys to individuals representing most of the state and local entities addressed by the recommendations. We did not survey all such entities because of time constraints. In addition, we did not survey the Office of Planning and Budget (OPB) or legislative staff regarding those recommendations suggesting that state entities work with OPB and legislative staff to improve their executive budget information because the timing of our survey conflicted with the start of the 2001 Regular Legislative Session.

We asked each survey recipient to assess the entity's level of implementation for each recommendation that pertained to that entity. We also requested documentation supporting the assessments. The survey recipients were asked to rank the level of implementation for each recommendation as fully implemented, partially implemented, or not implemented. If an entity's comments conflicted with its assessment, we used the comments to override the assessment. The survey responses have been incorporated into a separate publication titled *Implementation Status of Recommendations and Matters for Legislative Consideration*. This publication is available at www.lla.state.la.us:80/perform.htm.

We reviewed and evaluated the survey responses and supporting documentation to determine whether we agreed or disagreed with the entities' level of implementation. For those recommendations that addressed multiple entities, we averaged our evaluations of each entity's assessment to arrive at an overall evaluation. We included our evaluations of the survey responses in the publication titled *Implementation Status of Recommendations and Matters for Legislative Consideration*. We also asked the survey recipients to determine the impact (monetary or otherwise) that the implementation of the recommendations has had on the entity. Most entities did not provide this information, and we did not conduct any further analysis in this area. However, we were able to make some determinations regarding the impact of implementation based on the information we did receive.

To achieve the second objective of determining the status of the issues addressed by the matters for legislative consideration, we included a section in the survey asking the survey recipients to note whether they were aware of any adopted, proposed, or planned legislation that resulted from the matters for legislative consideration. We asked the individuals to provide supporting documentation, which we reviewed to verify that the legislation addressed the matters for legislative consideration. We also researched current state laws using *Premise* software, *WestMate* software, and the legislature's Internet site to determine if any legislation had been adopted or proposed. (It should be noted that at the time we conducted this research, *Premise* was current through 1999. Thus, our research in this area is current only through 1999.) After the 2001 Regular Legislative Session, we determined which proposed legislation had been adopted by researching the legislature's Internet site. The adopted, proposed, and planned legislation we found through the survey responses and the results of our legal research are included in the publication titled *Implementation Status of Recommendations and Matters for Legislative Consideration*.